

Technology Planning

Technology Planning and Funding

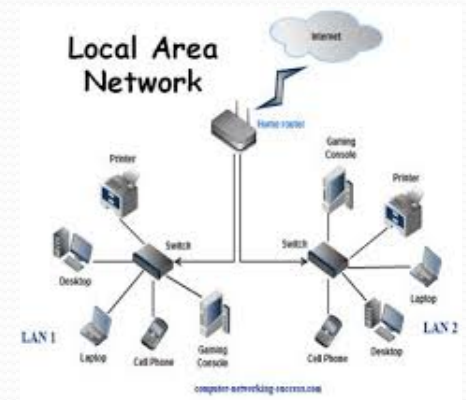
- Rapid growth of the use of technology in the classroom and recent changes in E-rate and the passing of the Smart School Bond Act have made planning for technology purchases more important than ever before.



Do you feel like all the balls are in the air and you do not know when or where they are going to fall when it comes to technology decision making?



Growing Need for Technology in Schools Today



Technology Planning and Funding

- Districts will want to ensure that they leverage the different funding sources in a way to maximize the use of these revenues and ensure that they are purchasing to meet the district's needs.



Technology Planning and Funding

- Areas of School Finance that Districts need to think about while planning and purchasing technology.
- Revenue Sources
 - Smart School Bond Act
 - E-Rate changes
 - BOCES Aid, Instructional Computer Hardware and Equipment aid, Software, Textbook (instructional materials)
 - Capital Projects
- Spending Constraints
 - Tax cap regulations (Spending / Revenue) planning
 - Legacy costs of purchases

Smart Schools Bond Act

- Allocation of funding has already been defined
- Allocation was based on each district's proportional share of total formula aid in the 2013-14 school year, excluding building aid, UPK aid and the GEA
- Example – if a district received .5% of total State school aid in 2013-14 then their allocation would be \$10,000,000 (based on $.005 \times 2,000,000,000$)



Smart Schools Bond Act

Smart Schools allocation does not have to be used by a certain date.

- If the allocation is not used in one school fiscal year, it can be carried over to the next.

Smart Schools Bond Act

- School districts may **not** use its Smart Schools allocation as the local share to generate other types of State school aid, such as Building Aid.
- Certain eligible uses may be aidable through other means (NYS hardware aid, BOCES aidable)
- Plan to use Smart Schools for otherwise non-aidable items if possible

E-Rate Changes

- **No Longer Priority 1 or Priority 2, Now Category 1 and Category 2**
- **Same dollar amount, but distributed differently:**
 - **Category 1:** Services that enable Broadband connectivity to the district
 - **Category 2:** Services that enable Broadband connectivity within the district (This allows equipment and wiring purchases for wired and wireless connectivity)
- Phase out telephone, cellphone, telecommunication services.
- Money may or may not be eligible to districts right away. Based on district need and total dollars being requested nationally.

Other Aids

- A district will need to make sure that the use of Smart Bond funds does not impact the use of other revenues available to them.
 - BOCES Aid
 - Instructional Computer Hardware and Equipment Aid
 - Building Aid
- BOCES Aid – If you reduce your overall BOCES expenditures in one year, you will reduce your revenue for BOCES aid in the following year.
- You do not want to loose the Instructional Hardware and Equipment Aid. Maximize all your instructional material aids.
- If you have any capital projects that have technology cost already built into them and they have not been completed, work with Architect and Facility planning to determine best approach for district to move forward with project.

Building Aid

Incidental cost for computer equipment installed as original equipment in new buildings or new additions

Building wide Local Area Networks (LAN) and Wide Area Network (WAN) as long as the work is located in the building. This can include wiring, servers and software.

BOCES Aid

- Purchased as part of a BOCES Coser or service.
- Equipment is owned by BOCES
 - Insurance, inventory, equipment disposal typically is the responsibility of BOCES
- Aid is given in following year of expenditure

Instructional Materials Aids

2011-12 Allowance of Flexibility with Instructional Material Aids

- Textbooks - \$58.25/pupil
- Library Materials - \$6.25/pupil
- Software - \$14.98/pupil
- Instructional Computer & Technology Hardware - \$24.20 /Pupil
Adjust. By RWADA ratio

Note: For Library Materials aid, must spend the calculated aid amount or higher in order to be eligible to receive the maximum amount of aid.

Eligible Expenses:

- Computer Equipment
- Peripheral devices (printers, video, plotters)
- Smart boards, cables
- Technology equipment used for instructional purposes i.e. solar, robotic, laser, etc. (approved by Commissioner)
- Other: tablets, e-readers, graphing calculators
- Staff Development/repair – up to 20%

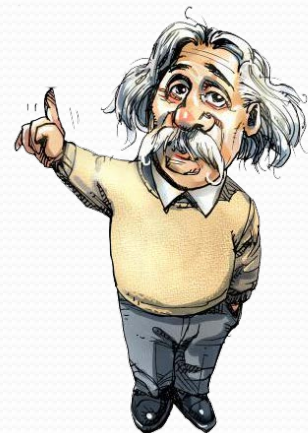
Not Eligible: Internet Connectivity, email services, mobile carts, infrastructure

Expenditure Constraints

- Tax Cap Concerns.
 - With the Tax Cap in place a district has to be very careful with any changes in expenditures and revenues. Its is a balancing act with ensuring that if a district reduces an expenditure it will not impact a revenue in aid.
- Long Term Expenditures (Legacy Costs)
 - Technology purchases may or may not have legacy costs involved such as maintenance and licensing costs or more importantly replacement costs. Look at Life expectancy of equipment.

Planning

- Planning for technology projects should be multi-year with expected replacement period defined.
- Make sure that if you are using the Smart Bond money that it does not hurt other sources of aid.
- Look at Developing a timeline of purchases with a possible cash flow diagram to show estimated expenditures and revenues by year.
- Remember that now E-rate funding even though is guaranteed within a 5 year period, it may not be available in the first year for some districts based on need and overall National funding level. So districts plans may have to be flexible.



District Example Numbers:

Midsize: 2,540 students, Suburb, Medium Wealth , 4 buildings
2014-15 Possible Funding Sources

Instructional Materials

Software	- \$34,724	
Textbook	- \$147,955	
Library Matrls	- \$14,722	
Hardware	- \$33,209	\$230,610

Smart School Bond \$1,144,417

E-Rate

School	Enrollment	5yr Budget amount per site (\$150/pupil)	15-16 Discount	Total Amount	
Bldg 1	707	\$ 106,050	80%	\$ 84,840	
Bldg 2	659	\$ 98,950	80%	\$ 79,160	
Bldg 3	613	\$ 91,950	80%	\$ 73,560	
Bldg 4	114	\$ 17,100	80%	\$ 13,680	\$251,240

Building Aid 0.660

BOCES Aid 0.592

Other: i.e. RTTT

Scenario 1: No long-term planning, but meets deadline for e-rate and state aid

Year:	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Totals
Expense(A)	\$ 50,000	\$ 20,000	\$ 100,000	\$ 10,000	\$ 80,000	\$ -	\$ 260,000
E-rate Reimbursement(B)		\$ 25,000	\$ 10,000	\$ 50,000	\$ 5,000	\$ 40,000	\$ 85,000
State Aid Reimbursement(C)		\$ 12,500	\$ 5,000	\$ 25,000	\$ 2,500	\$ 20,000	\$ 65,000
Net Cost(impact on taxes)	\$ 50,000	\$ (17,500)	\$ 85,000	\$ (65,000)	\$ 72,500	\$ (60,000)	\$ 110,000

Scenario 2: Long-term planning, meets deadline

Year:	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Totals
Expense(A)	\$ 52,000	\$ 52,000	\$ 52,000	\$ 52,000	\$ 52,000	\$ -	\$ 260,000
E-rate Reimbursement(B)		\$ 26,000	\$ 26,000	\$ 26,000	\$ 26,000	\$ 26,000	\$ 130,000
State Aid Reimbursement(C)		\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 65,000
Net Cost(impact on taxes)	\$ 52,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ (39,000)	\$ 65,000

Scenario 3: Missed deadlines because of only purchasing equipment with end of year money. Note: In this scenario it assumes a district is eligible for priority 2 e-rate projects and that sometime in near future a November 1 state aid freeze is put on to BOCES aid, which is not the case at this time.

Year:	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Totals
Expense(A)	\$ 50,000	\$ 20,000	\$ 100,000	\$ 10,000	\$ 80,000	\$ -	\$ 260,000
E-rate Reimbursement(B)			\$ 10,000	\$ 50,000	\$ 5,000	\$ 40,000	\$ 105,000
State Aid Reimbursement(C)		\$ 25,000	\$ 5,000	\$ 0	\$ 2,500	\$ 20,000	\$ 52,500
Net Cost(impact on taxes)	\$ 50,000	\$ (5,000)	\$ 85,000	\$ (40,000)	\$ 72,500	\$ (60,000)	\$ 102,500